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Samira Farivar

McMaster University, farivas@mcmaster.ca

Yufei Yuan

McMaster University, yuanfuf@mcmaster.ca

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The Dual Perspective of Social Commerce Adoption

Samira Farivar

DeGroote School of Business, McMaster
University
farivas@mcmaster.ca

Yufei Yuan

DeGroote School of Business, McMaster
University
yuanyuf@mcmaster.ca

ABSTRACT

Social commerce is a new type of electronic commerce which uses social networks to facilitate social interactions and user contributions. Since social commerce is still in its early development, there is lack of theoretical model to analyze what factors may affect people's intention to participate in social commerce. The purpose of this research is to propose a theoretical model to analyze user adoption behavior with the consideration of perceived benefit, perceived risk, and trust believes from both commerce and social networks perspective. The model will be empirically tested through an online user survey. This dual-perspective model may also be extended to study user adoption behavior in new types of e-healthcare or e-government system with strong social network connections.

Keywords

Social commerce, user adoption behavior, trust belief, social networks, electronic commerce

INTRODUCTION

Social media and web 2.0 have developed rapidly. This development resulted in the transformation of e-commerce from a product-oriented environment to a social and customer-centered one (Wigand et al. 2008). Social commerce enables users to share information, experiences and opinions about purchasing products, and these interactions between users are facilitated through features of social communication such as wish lists, forums, chat rooms, locator applications (geo-tagging), blogs, podcasts, tagging, social networks, ranking, recommendation systems, etc. (Jascanu et al. 2007).

There is a rather limited body of works on the factors that affect users' interactions and intention to use social commerce. Ng (2013) has investigated the effect of trust and culture on purchasing from social commerce. This paper suggested that trust in a social network is related to the familiarity and closeness between the users of that community. Hsiao et al. (2010) studied the reasons people trust the information and recommendations in social networks for social shopping. They have found the important antecedents of trust in recommendations which are perceived ability, perceived benevolence/integrity, perceived critical mass, and trust in a website.

Kim and Park (2012) have focused on the characteristics of social commerce and analyzed their effects on users' trust. Noh et al. (2013) studied the effect of collectivism and price consciousness on users' intention to use social commerce for shopping or finding low prices.

They have adopted the TAM theory in their model. Zhang et al. (2014) have studied the motivations to participate in social commerce. They have used the stimulus-organism-response paradigm and investigated the effects of technological features of social commerce on the users' experience and their intentions to participate.

To the knowledge of the authors, there is a lack of studies which studied both purchasing and participating behaviors in social commerce from both social media and commerce perspective.

In this study, we will develop a framework which explains the factors affecting using social commerce for both purchasing and participating. Participating in a social commerce might have different definitions such as posting comments, referring friends to a product/service, liking a post, or merely browsing social commerce websites. We have limited the definition of participating in a social commerce to writing and sharing experience.

Throughout this article, where we have used the word participation, we particularly mean posting comments and sharing experience with other users.

The rest of this paper is organized as follows: the theoretical background is presented followed by the proposed research model. The research methodology is outlined and finally potential contributions of this research to academics, practitioners and society as well as limitations of this research are noted.

RESEARCH MODEL

Theoretical background

In online commerce environments, users often faced with some degree of uncertainty or risks for making purchase and participation decision (Kim et al. 2008). However, risk is not the only factor which affects users' decisions. Kim et al. (2008) proposed a framework which described the trust based decision making process a consumer would adopt for making a purchase from a website. Their theoretical framework is consistent with Lewin's (1943) and Bilkey's (1955, 1953) purchasing behaviors' studies and the work of Peter and Tarpey (1975). They have used perceived risk, perceived benefit and trust as major constructs that affect the users' decisions. We adapt our theoretical framework from Kim et al. (2008). We used perceived risk, perceived benefit and trust as the constructs which affect users' intentions to purchase or participate in a social commerce website.

The behavioral intentions of internet users should be in consistent with expectancy theory. This theory posits that individuals' behaviors will be in a way that maximize

their positive outcomes and minimize their negative outcomes (Van Eerde and Thierry 1996; Vroom 1964). In the context of social commerce, users would calculate the potential benefits and make a tradeoff between risks which they might experience and potential benefits that they might gain.

The risk/benefit perspective can also be applied to social networks. Recent research has found that online communities play an important role in giving social values to their users and the internet is a useful tool for users to build close relationships with others and improve the individual's well-beings (Obst and Stafurik 2010; Shaw and Gant 2002; Xie 2008).

The Proposed Research Model

Integrating previous studies on e-commerce and social media, figure 1 shows our proposed framework.

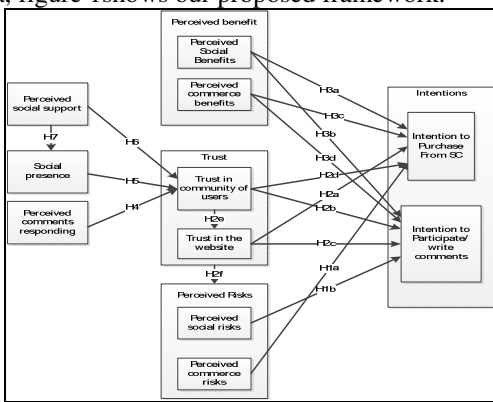


Figure 1. Proposed Framework

Hypotheses Development

Intention to purchase/participate

Based on the theory of reasoned action (Fishbein and Ajzen 1975) theory of planned behavior (Ajzen 1991), and the technology acceptance model (Davis 1989), studies in online commerce have shown that users' intentions to involve in an online commerce environment is a significant predictor for their real behavior (Pavlou and Fygenson 2006; Kim et al. 2008). Since actual behavior is difficult to measure, it is common that researchers measure the behavioral intention as a predictor of the actual behavior (Liang et al. 2011).

We have defined intention to purchase as a predictor of users' actual purchase and intention to participate as users' actual participation in a social commerce website.

Perceived risks

Perceived risk is an important factor which affects consumers' decisions to engage in an online commerce environment (Kim et al. 2008). In previous literature, we can find different types of risk, for instance, financial, performance, physical, psychological, time and opportunity cost risk (Jacoby and Kaplan 1972). In an online shopping environment, as Bhatnagar et al. (2000) suggested three types of risks are more important: financial risk, product risk, and information risk.

For participating in a social commerce website, users might have concerns such as disclosing their personal information and sharing their personal webpage to others, so the most important kind of risk for participation is information risks (privacy and security). For purchasing, users might experience all three types of risks that mentioned before.

Researchers have found that perceived risk affects making decisions regarding purchasing or participating (Peter and Tarpey 1975; Kim et al. 2008; Harrison McKnight et al. 2002). So we have proposed that:

H1a: Perceived commerce risk negatively affects users' intention to purchase from a social commerce website.

H1b: Perceived social risk negatively affects users' intention to participate in a social commerce website.

Trust

In interactions between human, trust has always been an important player especially in exchanges involving risk.

In many IS studies, trust was shown to be a critical player in predicting the use of Internet because Internet environment is full of uncertainty and risks (Lee and Turban 2001; Harrison McKnight et al. 2002). In the context of online interaction, because of the uncertain nature of internet shopping, trust becomes a very important factor. Based on Turel and Gefen (2013), trust in social networks environments has a dual role. As we have considered different behaviors (purchasing or participating) of users in our framework, we have considered trust in the website and trust in the community of users. Trust in other users will affect the intention to participate and write comments in social commerce; it also will affect the purchasing decision, because in social commerce, users make purchasing decisions based on their friends' recommendations. Also, if they do not have trust in the website, they might be afraid of purchase from it, or write comments and reveal their personal information (Kim et al. 2008). So, we propose the following hypothesis:

H2a: Users' trust in a social commerce website has a positive effect on their intention to purchase from that website.

H2b: Users' trust in the community of users of a social commerce website has a positive effect on their intention to participate in the website.

H2c: Users' trust in the social commerce website positively affects their intention to participate in the website.

H2d: Users' trust in the community of users of a social commerce website has a positive effect on their intention to purchase from the website.

Based on the work of Turel and Gefen (2013), trust in the community of users positively affects trust in the website. Hence, we hypothesize:

H2e: Customers' trust in the community of users in a social commerce website positively affects their trust to the website.

There are different viewpoints about the relationship between trust and risk. As Kim et al. (2008) suggested,

trust will have negative effect on perceived risk and the risk has negative effect on users' intentions, in other words, the effect of trust on users' intention is mediated by the risk. So, we propose:

H2f: Trust has a negative effect on perceived risk.

Perceived Benefit

Perceived benefit has been defined as "a consumer's belief about the extent he or she will be better-off from the online transaction with a certain website" (Kim et al. 2008). In social commerce, the benefits that users might expect have two different aspects, besides the monetary benefits (receiving discounts); individuals are more interested in companionship, approval, and respect that they might receive from participating in a social exchange (Eisenberger et al. 1990). Hemetsberger (2002) claimed that individuals in online communities engaged in interactions in order to fulfill their social needs like gaining friendship, moral support, and social approval. In this study we consider two types of benefits that users expect to receive: perceived social benefits and perceived commerce benefits. Both perceived social benefits and perceived commerce benefits affect users' intention to purchase and participate. The higher their perceived benefit, their intention to use social commerce will be higher. Thus we hypothesize:

H3a: Users' perceived social benefits positively affect their intention to purchase from a social commerce website.

H3b: Users' perceived social benefits positively affect their intention to participate in a social commerce website.

H3c: Users' perceived commerce benefits positively affect their intention to purchase in a social commerce website.

H3d: Users' perceived commerce benefits positively affect their intention to participate in a social commerce website.

Perceived Comments Responding

Users, who write comments in a social online environment, often expect to receive responses. If users write comments or reviews about a product and do not receive any response from the vendor or other users, they cannot build trust in other users (Ridings et al. 2002). Responsiveness from others is showing the willingness to help. In literature, there are studies which confirmed that perceived responsiveness has effects on trust, but it does not directly affect the outcome (Gefen 2000; Gefen 2000b; Gefen and Keil 1998). Therefore:

H4: Users' perceived comments responding by other members and the vendor has positive effects on their trust in community of users.

Social Presence

Social presence in website is related to the users' sense of psychological connections with other users of the website (Gefen and Straub 2004). In a social commerce environment, users can have interactive connections with

other users and therefore, they will experience social presence (Wang and Zhang 2012; Zhang et al. 2014). In this study, social presence is defined as: "the extent to which the social commerce environment enables a customer to establish a personal, warm, intimate and sociable interaction with others" (Zhang et al. 2014).

Previous studies have clarified that social presence in a medium positively affects users' trust (Choi et al. 2011). Gefen and Straub (2004) showed that social presence has a positive effect on trust in a B2C e-commerce. Therefore, we propose the following hypothesis:

H5: Social presence is positively affected users' trust in community of users in a social commerce website.

Perceived Social support

Social exchange theory suggests that an individual would reciprocate other's support when he or she receives benefits from others (Blau 1964). In online interactions' context, social network sites are platforms which facilitate users to exchange support with each other. Interactions in online communities are virtual and relied on sending messages; hence, online social support which might help social media users is intangible, including sharing information and knowledge and emotional support (Huang et al. 2010; Madjar 2008). Knowledge sharing is regarded as providing messages and comments in the form of recommendations, advice, or sharing knowledge that can help others in making decisions. Emotional support refers to sending and receiving messages which involve emotional issues and concerns like caring for each other's feelings, understanding others' feelings and feeling empathy (House 1981; Taylor et al. 2004).

Stronger social support would increase the closeness and warmth in relationships (Liang et al. 2011). As a result, social support that users will experience has a positive effect on their trust in other users. Hence:

H6: Users' perceived social support has a positive effect on their trust in other users of the community.

As discussed above, social support improves the quality of relationships. Based on Zhang et al. (2014) greater social support will enhance close and interactive relationships among users and increase a sense of social presence. Therefore we hypothesize:

H7: Perceived social support is positively related to social presence.

RESEARCH METHODOLOGY

Instrument Development

All the measurements will be developed based on their theoretical meaning and relevant literature. All constructs will be measured by multiple items. Wherever possible, initial scale items will be taken from previously validated measures in prior literature with necessary adjustment. All items will be measured on a five-point likert scale with 1="Strongly disagree", 3= "neutral", and 5= "strongly agree".

Data Collection

Participants in this study will be people who have used social commerce websites. Facebook and Opensky.com

were chosen as social commerce websites for this study. Facebook is the most popular and also largest social network in the world. Facebook has 500 million active users and 50 percent of these users log in on a daily basis (KISSmetrics, 2012). Open Sky is a social network to discover, shop, and share the world's best emerging brands.

We will post in Facebook pages and also send messages to the users of Open Sky and ask the users who are familiar with social commerce and have previous experience in using them to participate in our study and complete a questionnaire.

Data Analysis

Based on the approach of Anderson and Gerbing (1988), we will first examine the measurement model to verify the reliability and validity of our instruments and after that we will assess our structural model. For assessing reliability and validity, we will perform both principle components factor analysis and confirmatory factor analysis (CFA). After examining the validity and reliability of measurements, we will test our proposed hypotheses.

POTENTIAL CONTRIBUTIONS AND CONCLUSION

The significant theoretical contribution of this study is the model development that considers factors from two aspects, also we have considered different behaviors of users, purchasing or participating in a one framework. The study results, once being obtained, could also be used to assess relative importance and relationship for these factors between two aspects. This dual perspective is very useful in studying social commerce regarding not only consumer behavior but also business model and success factors. It can also be used to study new forms of e-government and e-healthcare with strong connection to social networks. In practice, the research once completed, could also provide guidelines to help e-commerce companies to take advantage of social networks and move ahead to become social commerce. It could help to promote social commerce in a more effective way.

RESEARCH LIMITATIONS

As with any research study, there are some limitations that must be acknowledged. There are other factors such as cultural differences, customer characteristics, and types of businesses which are not included in our model. This study will be completed in Canada. Hence, the generalizability of this study to other countries may be limited.

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